

REMARKS

Claims 1-3, 5-8, 10-14, 16-19, 21-25, 27, 28, 30-33, 35, 36, 38, and 41 are pending.

Claims 1, 6, 11, 16, 21, 27, 30, 35, 38, and 41 are the independent claims. Independent claims 1, 6, 11, 16, 21, 27, 30, 35, 38, and 41 are sought to be amended. Entry and consideration of this amendment is respectfully requested. No new matter is believed to have been introduced by this amendment.

Applicant has made the above amendment to more particularly point out and distinctly claim the subject matter which Applicant regards as the invention. Based on the above amendment and the following remarks, Applicant respectfully requests that the Examiner reconsider and withdraw all outstanding rejections.

Claim Rejections – 35 USC S. 103

The Examiner rejected claims 1-14, 16-19, 21-25, 27, 28, 30-33, 35, 36, 38 and 41 under 35 U.S.C. 103(a) as being unpatentable over Wu (US Patent No. 6,700,933). Claims 4 and 9 are canceled rendering the rejection to these claims moot. Applicant respectfully traverses the Examiner's rejection with regard to claims 1-3, 5-8, 10-14, 16-19, 21-25, 27, 28, 30-33, 35, 36, 38, and 41 since Wu does not teach or suggest each element of independent claims 1, 6, 11, 16, 21, 27, 30, 35, 38, and 41 for at least the following reason.

In particular, Wu fails to teach or suggest the enhancement encoding and decoding processing is independent of any intermediate data in the base layer as a result of a change in the calculation of the enhancement layer quantization residue *wherein an enhancement residual addition applies to a final base layer output after a base layer clipping operation and not before a base layer clipping operation* as claimed or similarly claimed.

The Examiner cites Figure 20 of Wu and stating that in Wu the intermediate enhancement layer can be considered a "base layer" to the upper enhancement layer. Applicant asserts that Wu requires the signals before the clipping from the "base layer" for the first enhancement layer and also requires the signals before the clipping from the enhancement layer for the higher level enhancement layers. The claimed invention only uses the post clipping signal. Thus, Applicant asserts that the teachings of Wu are very different from the present claimed invention. In particular, Wu fails to teach or suggest the enhancement encoding and decoding processing is independent of any intermediate data in the base layer as a result of a change in the calculation of the enhancement layer quantization residue *wherein an enhancement residual addition applies to a final base layer output after a base layer clipping operation and not before a base layer clipping operation* as claimed or similarly claimed.

Therefore, for at least this reason, independent claims 1, 6, 11, 16, 21, 27, 30, 35, 38, and 41 (and their respective dependent claims) are patentable over Wu. Accordingly, Applicant requests that the rejections under 35 U.S.C. § 103(a) be reconsidered and withdrawn.

#### CONCLUSION

Applicant respectfully submits that all of the stated grounds of rejection have been properly traversed accommodated or rendered moot. Applicant believes that a full and complete response has been made to the outstanding Office Action. Thus, Applicant believes that the present application is in condition for allowance, and as such, Applicant respectfully requests reconsideration and withdrawal of the outstanding objections and rejections, and allowance of this application.

If the Examiner has any questions, he is invited to contact the undersigned at (703) 633-0931.

Respectfully submitted,  
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